

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES  
REDIRECTED FROM WITNESS DAVID WILLIAMS  
(APWU/USPS-T1-3 and 4)**

The United States Postal Service hereby files responses to the above-listed interrogatories of the American Postal Workers Union dated December 22, 2011. The interrogatories have been redirected from witness Williams to the Postal Service for institutional responses. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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January 23, 2012

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY  
REDIRECTED FROM WITNESS WILLIAMS**

**APWU/USPS-T1-3** On page 9 of your testimony you state that the Postal Service is planning this fundamental realignment of the mail processing network “while also meeting its obligation to provide regular and effective levels of mail service.”

- (a) What is the Postal Service’s definition of regular and effective levels of mail service?
- (b) Is it your testimony that the objective and factors in §3622 are met solely by the Postal Service providing regular and effective levels of mail service?
- (c) Please address how this proposal is consistent with each of the following: §3622 (b) (3), §3622 (b) (5), §3622 (b) (8), §3622 (c) (1), §3622 (c) (7), §3622 (c) (8), §3622 (c) (9), §3622 (c) (11), and §3622 (c) (13)?
- d) Please address how this proposal is consistent with each of the following: §3691 (b) (1) (A and C), and §3691 (c) (1 and 2),

**RESPONSE**

- (a) The Postal Service considers regular and effective levels of mail service to consist of a range of mail products delivered with such frequency and reliability as generally meets the needs of those who send and receive mail.
- (b) Witness Williams is not a lawyer. Accordingly, he is not qualified to offer opinions regarding what the legal requirements of section 3622 may be. The Postal Service observes that section 3622 lists the factors to be considered in establishing and revising market dominant product classifications and prices. The Postal Service does not consider such factors to be applicable to the advisory opinion Request filed in this docket.
- (c) See the response to subpart (b).

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**RESPONSE to APWU/USPS-T1-3 (continued):**

- (d) The provisions of section 3691 govern the establishment and revision of market dominant product service standard regulations published in 39 CFR Parts 121 and 122. In accordance with section 3691, the Postal Service has initiated a rulemaking to solicit comment on proposed changes to those regulations. That rulemaking is required to result in revisions to those regulations that achieve the objectives listed in subsection (b) based on consideration of the factors listed (c) of section 3691. That will be its objective.

Associated changes in postal services are being reviewed by the Commission under section 3661. With regard to section 3691(b)(1)(A and C), the Postal Service considers that the service change proposals under review in this docket and in the rulemaking are being developed in accordance with processes that will provide ample opportunity for customer input and consideration of that input, consistent with best business practices. If implemented, the proposed service standard changes and service changes will ultimately alleviate pressure to raise postal prices that customers pay, so that prices can remain reasonable for as long as possible. The proposed service changes and service standard changes are not intended to affect the frequency of delivery. Speed of delivery will be adversely affected for some portions of the mail within

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**RESPONSE to APWU/USPS-T1-3 (continued):**

various products as a result of the proposed service standard changes. However, the proposed changes are not expected to make postal services less reliable. Moreover, some mailers expecting delivery by a specific date will be able to mitigate the impact of the service change by changing their mail entry practices. The market research filed in support of the Request in this docket (USPS-T-11) shows that the sacrifice in speed that will result for some mail, by itself, is not universally regarded as a significant adverse factor.

The proposed service standard changes can be viewed as enhancing the value of postal services by aligning them more closely to overall customers expectations and making it feasible for the Postal Service to implement mail processing changes that eventually will significantly improve its long-term financial stability and preserve its ability to operate as a reliable and available service provider.

As required by subsections (c)(1) and (c)(2) of 3691, the outcome of the rulemaking is expected to reflect Postal Service consideration of the actual level of service that postal customers receive and their degree of satisfaction with that service. Such matters were considered in developing

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**RESPONSE to APWU/USPS-T1-3 (continued):**

the request in this docket and the proposed changes in the service  
standard regulations currently the subject of the aforementioned  
rulemaking.

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**APWU/USPS-T1-4** On page 9 of your testimony you indicate that the fundamental realignment of the mail processing network is being planned to “utilize capital assets and personnel more efficiently over the long-run.” How much redundancy are you planning for this system in order to provide Postal Service customers with “delivery reliability, speed and frequency consistent with reasonable rates and best business practices.”

**RESPONSE**

The language quoted at the end of the question reflects one of the objectives in section 3691 that market dominant product service standards shall be designed to achieve. Accordingly, your attention is invited to the institutional response to APWU/USPS-T1-3(d). The Postal Service does not interpret section 3691 as governing the configuration of mail processing operations or any degree of redundancy therein.

The future mail processing network is being designed to ensure that sufficient equipment is on hand to process 95th percentile volumes within applicable operating windows. Given that mail volumes are generally below that level on most days and anticipated to decline over time, excess mail processing capacity will vary, but is expected to be available after the network is consolidated. Manual processing is expected to be employed when mail volumes exceed the capacity of available equipment. Available capacity is expected to be sufficient to meet operating goals